HOUSING AND URBAN DEVELOPMENT

All Americans have a right to decent, safe and sanitary housing at a price or rental they can afford. Today our country's need for new housing has not been met. Even where the Administration's proposals are bold in conception, such as rent supplements, they are niggardly in size. To date Administration proposals have failed to meet our known increased needs for new housing, much less deal with the accumulated housing and urban development problems of the second half of the 20th Century.

Government, Federal, state and local has neither promoted racial desegregation nor even fought housing discrimination. Simple requirements for equal opportunity in housing, alone, are ineffective. Programs that will restructure the entire pattern of urban society are necessary.

To serve the needs of low and middle income families, a full scale housing program is a necessary prerequisite to eliminate slums, provide equal housing opportunities and attain full employment.

Now that the Housing and Urban Development Department has been established it must concern itself with all aspects of urban problems. Cities must be more than places to work or bypass in our complex of cloverleaves. The Housing and Urban Development Department must provide the leadership and set forth the programs that will improve the quality of life in our cities. Cities must be habitable for humans.

Our goal is to assure adequate housing for all at prices they can afford and to contain and eliminate urban blight. Stimulants to encourage the purchase of existing housing are vitally needed. Policies that will foster the orderly development of new and already existing communities are required. Comprehensive planning is necessary to insure that the new housing is supplied with the right quantity and quality of community facilities.

Aid to cities for downtown development -- commercial, industrial and cultural -- and orderly metropolitan area growth must be expanded but not at the expense of providing decent housing for low and moderate income families. Our nationwide urban development efforts to date -- even while grossly inadequate -- have run too far ahead of our housing efforts.

Housing legislation must be massive in scale from the start. A massive housing program will empty the slums and provide decent, safe and sanitary housing for millions of slum dwellers. A large scale housing program requires 2 million new housing starts a year. Half of all new housing starts should be for low and low-middle income families.
A greatly accelerated Federal investment policy in housing and urban development is required to meet our goal of eliminating slums, achieving equal housing opportunities and attaining full employment.

Congress should enact legislation along the following lines:

1. Incentives should be offered to private builders, non-profit agencies and local government agencies to build low cost housing. Such incentives include public investment for land acquisition, low interest rates and longer amortization terms.

2. Only a massive housing program will provide new jobs in sufficient numbers. Substantial employment of the unemployed (at least 2/3 of the work force on each new building development) should be a condition of building FHA or VA, below market interest rate or other government insured housing. The construction industry normally employs a large number of semi-skilled. A program that will meet our unmet housing needs will create a natural labor shortage. A properly administered housing program, provided that it is sufficiently large, will provide many additional jobs for those unemployed. Without depriving those already employed of a job, or reducing work hours, job vacancies must be filled by the unemployed.

3. Funding the rent subsidy program is a prerequisite to eliminating slum blight. The rent subsidy program has been subject to a scurrilous attack by its enemies, inside and outside of Congress, because it will facilitate residential integration. Congress should resist all amendments that condition appropriating rent subsidy funds on local approval. Requiring local approval for rent subsidy funds draws a racial moose around the core city. The city boundary line will be America's Berlin Wall separating white from Negro.

4. The rent supplement program should be modified and benefit low income families who pay more than 20% of their income for shelter rather than the present 25%. The supplement would pay the difference between the rent and 20% of a family's income.

5. The new town proposal to create equal housing opportunity, must actively promote access to areas of new development for low income families. Private land developers should be granted government mortgage insurance only if they propose to establish communities open to low income families regardless of race, at prices they can afford. At least one-third of all insured land development should be required to be priced at an available level for low income families.
6. To promote used and rehabilitated housing among low and middle income families Federal funds establishing local non-profit development corporations should be established. The corporations could buy, sell, lease, sell, lease back and operate buildings that would supply used and rehabilitated housing for low and middle income families.

7. The purchase of used housing should be further stimulated by easing mortgage requirements. A revolving fund should be created to grant 100% mortgages with only minimum equity required as collateral.

8. Federal aid for downtown commercial, industrial and cultural development during the next 4 years totalling $12 billion is needed.

9. A community must have an enforceable and adequate housing code to receive urban renewal funds. The Department of Housing and Urban Development should begin to enforce this program.

10. Requiring cities to take over houses of slum landlords who fail to obey the housing code should be a condition of receiving urban renewal funds. To encourage slum landlords to improve their property, without increasing rents, a federally guaranteed low interest loan program should be established.

11. Negroes and other minority groups often must be relocated because of urban renewal. A condition of receiving urban renewal funds should require a workable state fair housing law. This will minimize racial discrimination in relocation.

12. Increased relocation allowances are sorely needed. Those relocated should be permitted greater compensation than they now currently receive. Too often those relocated, usually low income families, pay higher rents than before relocation, but their incomes are not correspondingly increased. Compensation, with adequate controls, should include payment of full rent differential and compensation for purchase of furniture.

13. Coordinated metropolitan area planning should quadruple our outlays for mass transit. Needed is a $5 billion program in the next 4 years. Mass transit should be part of an integrated program of metropolitan area development which should enable metropolitan areas to have the option of using highway funds for mass transit use.

14. A model building code based on performance standards which utilizes research and development advances in the building industry should be required for government assisted housing.

15. Given the known technological advances in the housing industry, funds for research and development should be appropriated so that quality low and middle cost housing can be developed profitably.
Mr. Chairman and Members of the Committee:

My name is Paul Davidoff and I am Director of the Urban Research Center and Professor of Urban Planning, and Chairman of the new graduate urban planning program at Hunter College in New York City. I formerly taught in the Department of City Planning at the University of Pennsylvania, and have helped draft the most recent version of the New York City zoning law. I serve as Book Review Editor of the Journal of the American Institute of Planners and have contributed to various professional journals. I serve on the ADA Housing and Urban Development Commission and Chair one of its subcommittees.


We fully support the Administration in its goal of achieving a suitable living environment for all. The Administration's proposals are important steps in that direction. However, as is natural and appropriate in a free society, ADA respectfully will suggest various amendments to the legislation under consideration. ADA believes that its suggested amendments will accelerate the "forces of change" in our urban areas so that they will in fact be "the masterpieces of our civilization."

A. Our Urban Problem

We welcome the Administration's outline of the current urban problem. To face our problems squarely and openly is an essential step in developing public policy. President Johnson's message on City Development specified the major problems.

B. The Need for Comprehensive Programs to Attain a Suitable Living Environment

Our principal goal is that all Americans are entitled to live in a suitable environment. Measured against this essential goal the proposals of the Administration, while bold in conception, are woefully inadequate. The goal of "rebuilding slum and blighted areas and for providing the public facilities and services necessary to improve the general welfare of the people who live in these areas" commands our enthusiastic support. The size of the Federal
commitment, however, in the bills under consideration amounts to planned neglect. The small Federal commitment proposed in the Demonstration Cities Program will not rebuild our cities. Millions of Americans will continue to live their lives in slum housing and blighted neighborhoods.

We engage in a process of self-deception if we believe that H. R. 12341, H. R. 12939 and H. R. 13063 fulfill the goal set forth by the Presidential message: legislation to be "of sufficient magnitude both in its physical and social dimensions to arrest blight and decay in entire neighborhoods." Needed is at least a $20 billion program over the next 5 years that will provide an increasing Federal commitment each year.

No matter how bold and imaginative programs are (such as the Administration's proposals), if there is a paucity of Federal investment the needs of the urban poor will remain unmet. What is needed is not a demonstration program but a full scale assault that recognizes slums cannot be eliminated until poverty is ended. Solutions to problems concerning our cities cannot be considered apart from measures necessary for achieving permanent full employment and eliminating poverty.
One fifth of our population, America's poor, have incomes below the minimum standards adequate for living above subsistence. We cannot have decent housing unless we pursue a policy that bad housing is primarily a problem of too many Americans having insufficient income. Congress must enact legislation that will deliberately raise the income of the poor through such devices as increasing the minimum wage to $2.00 per hour and providing coverage for those not now protected, doubling social security benefits, establishing national unemployment compensation standards, adopting the negative income tax and family allowance as a supplement to other forms of income maintenance, and creating needed subprofessional jobs in our public services.

In the midst of affluence we must not permit limited job opportunities. In addition to ending insufficient income, we need an increased Federal investment program of sufficient size and scope that will begin to dent all our unmet private and public needs.

ADA policy recommendations are designed to obtain three basic domestic goals:

1. Achieve full employment by 1967;
2. Eliminate poverty by 1970; and
3. Attain a standard of living that substantially rises above the poverty level by 1975.

To implement these goals we urge that the Subcommittee amend the Demonstration Cities bill to set an additional standard for Federal grants: the Secretary of the Department of Housing and Urban Development should be directed by January 1, 1967 to establish a comprehensive definition of decent, safe and sanitary housing and a suitable living environment that would include, but is not limited to, economic and social factors. By 1968 to receive Federal funds under the Demonstration Cities and urban renewal programs cities should have plans on how to achieve by no later than 1972 decent, safe and sanitary housing, and by 1975 a suitable living environment for all of its citizens. Additional incentives should be offered to cities that can implement their plans on a speedier basis.

We believe that a congressional mandate that establishes time limitations is essential to obtain these necessary goals. Our achievements in space are ample evidence of the value of setting forth time limitations. Time limitations tend to produce substantial Federal commitments.
C. Racial Discrimination and Urban Programs

An affirmative program of non-discrimination in federally financed programs by the Department of Housing and Urban Development and other Federal Departments is essential to obtaining a suitable living environment. The passage of the Civil Rights Act of 1964 was a milestone on the road to ending racial discrimination. Unfortunately HUD has timidly, haphazardly and sluggishly enforced the Civil Rights Act of 1964, particularly as it relates to Title VI.

Title VI of the 1964 Civil Rights Act has a clear congressional mandate. It specifically states "no person in the United States shall on the ground of race, color or national origin, be excluded from participation in, or be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." The relationship of Title VI to urban problems is well documented in an excellent pamphlet entitled Metropolitan Housing Desegregation by John Silard and Arthur Levin, published by the Potomac Institute.

The authors demonstrate that many thousands of families are displaced from their homes every year by federally financed projects under the workable program for community improvement and other governmental activities. We all know that Federal funds are used for direct construction of highways, schools, public housing, public buildings, neighborhood facilities, health stations. Federal funds are used for slum clearance, urban redevelopment, developing recreational and conservation sites and other public uses. Even private housing construction directly benefits from Federal financial assistance. Before a builder starts a new development he must have adequate water, sewers, electricity and access. Federal assistance is provided to community sewer and water facility construction under the Water Pollution Control Act, and the Housing and Urban Development Act of 1965. Even communities under 5500 population have programs of sewer and water facilities.

The authors of the pamphlet suggest a modest but firm positive program for housing desegregation, which ADA fully supports. We request that this program be made part of the hearing record.

We strongly urge that the Committee report specifically state that Title VI enforcement vigorously be stepped up along the lines outlined in the Silard and Levin pamphlet.
Congress has acted. Title VI of the Civil Rights Act of 1964 is the law of the land. This congressional mandate should not be undermined by non-enforcement by HUD and other Federal agencies.

D. Recommended Changes on H. R. 12341, 12939 and 13064

Mr. Chairman, I now would like to discuss specific amendments to the legislation under consideration. We urge that H. R. 12341, 12939 and 13064 be combined and be reported out as a clean bill.

H. R. 12341 -- Demonstration Cities Act

1. We support the Reuss-Ashley-Moorhead amendment that would require two additional criteria for fund eligibility.

Cities that have "economic and social pressures such as those involving or resulting from population density, crime rate, public welfare participation, delinquency, poverty, unemployment, education levels, health and disease characteristics and substandard housing" should have priority in receiving funds. To receive funds such neighborhoods should have a workable program such as is currently required for receiving urban renewal funds. This amendment will help assure that the legislation achieves its stated social purpose.

2. Any city that meets the criteria specified in the Demonstration Cities program should be eligible for receiving funds. More than one neighborhood in a city, if it is otherwise eligible, should be receiving funds. We believe it is socially explosive to limit the program to just one neighborhood in each eligible city. In short, public policy should not force a city to choose between its Harlem and Bedford-Stuyvesant.

3. The bill's purpose should specifically call for dispersal of racial and income ghettos. The legislation should deliberately promote residential integration of income and race.

4. We believe that comprehensive city demonstration programs should include as one of the criteria for funding Sec. 4 (c) (1)-(5) inclusive. We support a deletion on page 5 of lines 14 and 15 and renumbering (1)-(3) to (9)-(13).

5. As a condition of receiving demonstration cities or urban renewal funds those relocated should be relocated to a suitable living environment. Our various suggestions on relocation also encompass changes in the requirement of the workable program. The relocation standards required in Sec. 105 (c) of the Housing Act of 1949 are insufficient. A system should be established
whereby the Federal coordinator, or the regional HUD office, would be able to effectively inspect and verify that those relocated for any purpose are relocated to a suitable living environment.

6. Persons should not be relocated to areas which are planned for condemnation within 5 years. Part of the culture and psychology of poverty is that a citizen is often relocated to a dwelling that will be torn down shortly after he gets settled in it. This guarantees moving families and individuals from one slum to another. Where a community has already planned to tear down an area it is both unfair and expensive to relocate persons into this area.

7. Those relocated should be permitted greater compensation than they now currently receive. Too often those relocated, usually low income families, pay higher rents than before relocation, but their incomes are not correspondingly increased. Compensation, with adequate controls, should include payment of full rent differential and include compensation for the purchase of furniture.

8. Those relocated should not be relocated to the census tract where the median income is in the lowest quintile of the city’s population. Low income housing too often means slums and relocatees should not be placed there. This provision would tend to assure that relocatees are placed in desirable neighborhoods.

9. In code enforcement the Housing Act of 1964 clearly demonstrates the congressional intent was that HUD should certify only those workable programs producing effective local code enforcement efforts. The same requirement should apply to the Demonstration Cities bill. It is evident that urban renewal projects that demolish housing, and proceed at the expense of code enforcement, have no real benefit since slum areas develop in the marginal areas, thus requiring additional demolition. Code enforcement is an excellent preventative.

We urge the Committee to direct HUD to expand its code enforcement operations to include systematic inspections of buildings, including the interior, to enable HUD to verify the validity of claims of code enforcement under workable programs. We believe that this would implement the 1964 Housing Act. In short, HUD inspectors would not enforce codes, but they would gather evidence to check on whether the city is doing so.

10. Cities should be required to take over the property of slum landlords who fail to obey the housing code. In addition, HUD should make inspections to see that the cities are operating such housing at code standards. This should also be a workable program requirement.
Amendments to H. R. 12839 -- Urban Development Act

1. In Sec. 206 dealing with Sec. 701 (A) of the Housing Act of 1954 we believe that one of the conditions for getting grants under Sec. 701 is that the local planning agency develop a comprehensive plan that shows how it will set forth policies dealing with the environmental and educational needs of low income families. In short, local planning grants should be geared to complement national policy.

2. The Administration has for the third time proposed a program of mortgage insurance for land development. On the surface, providing mortgage insurance for land development programs that will be utilized for new subdivisions under entirely new communities, appears to be a major innovation. However, the bill only provides a nominal new town proposal. The proposal in the Urban Development Act will meet the national goal of a decent, safe and sanitary house for every American only if the provision assures that low and middle income persons and the elderly will be able to purchase and obtain housing in large subdivisions in the new communities. The Administration's program fails to support fully its ideology of fighting a total war against poverty. There is no explicit provision made for providing a large number of new homes for low income families.

The land development program, if it is to assist in creating equal housing opportunity, must take into account the need of low income families, regardless of race or ethnic group, to gain access along with others to areas of new development. Such private land developments should be granted government mortgage insurance only if they propose to establish communities that all sectors of the population can afford. At least 1/3 of all insured land development should be required to be priced at an available level for low income families.

A specific low income provision should be written into the law. Our support for the program is contingent upon such a provision being included.

It would be a great tragedy to have the Federal government supporting an expensive new program furthering economic class distinction between central city residents and suburban residents. It is anomalous to create new towns, while rebuilding cities, without assuring that a significant number of relocatees would have the choice of living in the new towns.
3. A balanced transportation system is essential to a suitable living environment. Seventy percent of our population now live in urban areas. Conservative estimates indicate that the urban population will increase by an additional 14 percent within 20 years. To this end we support in addition to the proposed mass transit amendments the following:

   a. The Reuss-Ashley-Moorhead amendment requiring the Secretary of HUD to develop an "expedited program for research, development and demonstration of new systems of urban transport no later than January 1, 1967." This amendment appropriately deals with the mass transit problem comprehensively. It encompasses the entire urban mass transit problem -- technical, financial, economic, governmental and social.

   b. The Bingham-Tydings proposal (H. R. 10126) to permit a state to use highway trust funds for urban mass transportation. This will foster creative federalism.

   c. The Bingham-Williams extension of the mass transit program (H. R. 12407) to include operating deficits of mass transit companies providing commuter services and requiring the local public agency and company to develop a comprehensive commuter service improvement plan.

Amendments to H. R. 13064 -- Housing and Urban Development Amendments of 1966

1. To expand rehabilitated housing we support the Sullivan proposal (H. R. 13063) to amend the National Housing Act to authorize mortgages, executed by non-profit organizations, to finance the purchase and rehabilitation of deteriorating or substandard housing for subsequent sale to low income purchasers.

2. We support tax credits to landlords who rent rehabilitated housing to low income families at below market rates. Fair market rates can be established in the same manner as they are for rent subsidies. Those renting the rehabilitated housing would be the same persons eligible for the rent subsidy program.

3. The rent subsidy program should be modified to benefit those low income families who pay more than 20 percent of their income for shelter rather than the present 25 percent. The supplement would pay the difference between the rent and 20 percent of a family's income.

4. The workable program should include a requirement that cities establish a model building code based on performance standards. Such a code should utilize research and development advances made in the building industry.
Conclusion

In his Demonstration Cities message President Johnson concluded by asserting, "If we begin now the planning from which action will flow, the hopes of the 20th Century will become the realities of the 21st." ADA believes that the goal of a decent home and a suitable living environment can and must be achieved well before the 21st Century.

This goal can be achieved within the next decade:

1. If funds are provided in sufficient amounts and with an increasing Federal commitment.

2. If renewal programs will in fact benefit relocatees by providing decent housing in suitable living environments.

3. If the rebuilding of all cities, and the establishment of new cities are viewed as related parts of a national development policy.

4. If HUD makes rapid and vigorous participation in meeting the national housing goal a condition precedent to the granting of Federal aid.
Mr. Chairman and Members of the Committee:

My name is Paul Davidoff and I am Director of the Urban Research Center and Professor of Urban Planning, and Chairman of the new graduate urban planning program at Hunter College in New York City. I formerly taught in the Department of City Planning at the University of Pennsylvania, and have helped draft the most recent version of the New York City zoning law. I serve as Book Review Editor of the Journal of the American Institute of Planners and have contributed to various professional journals. I serve on the ADA Housing and Urban Development Commission and Chair one of its subcommittees.


We fully support the Administration in its goal of achieving a suitable living environment for all. The Administration's proposals are important steps in that direction. However, as is natural and appropriate in a free society, ADA respectfully will suggest various amendments to the legislation under consideration. ADA believes that its suggested amendments will accelerate the "forces of change" in our urban areas so that they will in fact be "the masterpieces of our civilization."

We welcome the Administration's outline of the current urban problem. To face our problems squarely and openly is an essential step in developing public policy. President Johnson's message on City Development specified the major problems.

A. The Need for Comprehensive Programs to Attain a Suitable Living Environment

Our principal goal is that all Americans are entitled to live in a suitable environment, and that they are entitled to it now. They were entitled to it by the Housing Act of 1949, and they are certainly entitled to it at present, and that goal should be reached as rapidly as possible. Measured against this essential goal the proposals of the Administration, while bold in conception, are woefully inadequate. The goal of "rebuilding slum and blighted areas and for providing the public facilities and services necessary to improve the general welfare of the people who live in these areas" commands our enthusiastic support. The size of the Federal commitment, however, in the bills under consideration amounts to planned neglect.
The small Federal commitment proposed in the Demonstration Cities Program will not rebuild our cities. Millions of Americans will continue to live their lives in slum housing and blighted neighborhoods.

We engage in a process of self-deception if we believe that S. 2842, S. 2977 and S. 2978 fulfill the goal set forth by the Presidential message: legislation to be "of sufficient magnitude both in its physical and social dimensions to arrest blight and decay in entire neighborhoods." Needed is at least a $20 billion program over the next 5 years that will provide an increasing Federal commitment each year.

No matter how bold and imaginative programs are (such as the Administration's proposals), if there is a paucity of Federal investment the needs of the urban poor will remain unmet. What is needed is not a demonstration program but a full scale assault that recognizes slums cannot be eliminated until poverty is ended. Solutions to problems concerning our cities cannot be considered apart from measures necessary for achieving permanent full employment and eliminating poverty.

One fifth of our population, America's poor, have incomes below the minimum standards adequate for living above subsistence. We cannot have decent housing unless we pursue a policy that bad housing is primarily a problem of too many Americans having insufficient income. Congress must enact legislation that will deliberately raise the income of the poor through such devices as increasing the minimum wage to $2.00 per hour and providing coverage for those not now protected, doubling social security benefits, establishing national unemployment compensation standards, adopting both the negative income tax, and family allowances as a supplement to other forms of income maintenance, and creating needed subprofessional jobs in our public services.

In the midst of affluence we must not permit limited job opportunities. In addition to ending insufficient income, we need an increased Federal investment program of sufficient size and scope that will begin to dent all our unmet private and public needs.

ADA policy recommendations are designed to reduce the large and unjust disparity between the incomes of the poor and the rich.

1. Eliminate poverty by 1970;
2. Attain a standard of living that substantially rises above the poverty level by 1975; and
3. Achieve full employment and meet our high priority needs by 1967.
To implement these goals we urge that the Subcommittee amend the Demonstration Cities bill to set an additional standard for Federal grants: (1) the Secretary of the Department of Housing and Urban Development should be directed by January 1, 1967 to establish a comprehensive definition of decent, safe and sanitary housing and a suitable living environment that would include, but is not limited to, economic and social factors; (2) recommend how this can be achieved at rents all people can afford. By 1968 to receive Federal funds under the Demonstration Cities and urban renewal programs cities should have plans on how to achieve by no later than 1972 decent, safe and sanitary housing, and by 1975 a suitable living environment for all of its citizens. Additional incentives should be offered to cities that can implement their plans on a speedier basis.

We believe that a congressional mandate that establishes time limitations is essential to obtain these necessary goals. Our achievements in outer space are ample evidence of the value of setting forth time limitations. Time limitations tend to produce substantial Federal commitments. Without a time limitation problems are too often fought by rhetoric rather than action. Unless time dimensions are placed on programs, time limits have no meaning as a measure of success in obtaining our goals.

B. Racial Discrimination and Urban Programs

An affirmative program of non-discrimination in federally financed programs by the Department of Housing and Urban Development and other Federal Departments is essential to obtaining a suitable living environment. The passage of the Civil Rights Act of 1964 was a milestone on the road to ending racial discrimination. Unfortunately HUD has timidly, haphazardly and sluggishly enforced the Civil Rights Act of 1964, particularly as it relates to Title VI.

Title VI of the 1964 Civil Rights Act has a clear congressional mandate. It specifically states "no person in the United States shall on the ground of race, color or national origin, be excluded from participation in, or be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." The relationship of Title VI to urban problems is well documented in an excellent pamphlet entitled Metropolitan Housing Desegregation by John Silard and Arthur Levin, published by the Potomac Institute.

The authors demonstrate that many thousands of families are displaced from their homes every year by federally financed projects under the workable program for community improvement and other governmental activities.

The authors of the pamphlet suggest a modest but firm positive program for housing desegregation, which ADA fully supports. We request that this program be made part of the hearing record.
We strongly urge that the Committee report specifically state that Title VI enforcement vigorously be stepped up along the lines outlined in the Silard and Levin pamphlet.

Congress has acted. Title VI of the Civil Rights Act of 1964 is the law of the land. This congressional mandate should not be undermined by non-enforcement by HUD and other Federal agencies.

G. Recommended Changes on S. 2642, S. 2977 and S. 2978

Mr. Chairman, I now would like to discuss specific amendments to the legislation under consideration. We urge that S. 2642, S. 2977 and S. 2978 be combined and be reported out as a clean bill.

S. 2642 -- Demonstration Cities Act

1. We support the Rouss-Ashley-Moorhead amendment that would require two additional criteria for fund eligibility.

Cities that have "economic and social pressures such as those involving or resulting from population density, crime rate, public welfare participation, delinquency, poverty, unemployment, education levels, health and disease characteristics and substandard housing" should have priority in receiving funds. To receive funds such neighborhoods should have a workable program such as is currently required for receiving urban renewal funds. This amendment will help assure that the legislation achieves its stated social purpose.

2. Any city that meets the criteria specified in the Demonstration Cities program should be eligible for receiving funds. More than one neighborhood in a city, if it is otherwise eligible, should be receiving funds. We believe it is socially explosive to limit the program to just one neighborhood in each eligible city. In short, public policy should not force a city to choose between its Harlem, South Bronx and Bedford-Stuyvesant.

3. The bill's purpose should specifically call for dispersal of racial and income ghettos. The legislation should deliberately promote residential integration of income and race. Cities should be required to show that these proposals would not lead to greater segregation in the affected neighborhoods and in the city.

4. We believe that comprehensive city demonstration programs should include as one of the criteria for funding Sec. 4 (c)-(1)-(5) inclusive. We support any deletion on page 5 of lines 14 and 15 and renumbering (1)-(5) to (9)-(13).
5. As a condition of receiving demonstration cities or urban renewal funds those relocated should be relocated to a suitable living environment. Our various suggestions on relocation also encompass changes in the requirement of the workable program. The relocation standards required in Sec. 105 (c) of the Housing Act of 1949 are insufficient. A system should be established whereby the Federal coordinator, or the regional HUD office, would be able to effectively inspect and verify that those relocated for any purpose are relocated to a suitable living environment. We propose the following standards as guides to determining environmental suitability:

a. Those relocated should not be relocated to the census tract where the median income is in the lowest quintile of the city’s population. Low income housing too often means slums and relocatees should not be placed there. This provision would tend to assure that relocatees are placed in desirable neighborhoods.

b. Persons should not be relocated to areas which are planned for future condemnation. Part of the culture and psychology of poverty is that a citizen is often relocated to a dwelling that will be torn down shortly after he gets settled in it. This guarantees moving families and individuals from one slum to another. Where a community has already planned to tear down an area it is both unfair and expensive to relocate persons into this area.

c. There should be no relocation to areas that have been officially designated as a slum or blighted area by a local agency.

d. Those relocated should be permitted greater compensation than they now currently receive. Too often those relocated, usually low income families, pay higher rents than before relocation, but their incomes are not correspondingly increased. Compensation, with adequate controls, should include payment of full rent differential and include compensation for the purchase of furniture.

e. In proposing relocatees the afforded opportunity to reside in suitable neighborhoods, we do not mean to suggest that a relocatee preferring to live in an area not considered as a suitable living environment should be denied that opportunity. Where such a preference is expressed the relocatee should be offered a decent, safe and sanitary residence in a neighborhood of his choice.

6. In code enforcement the Housing Act of 1964 clearly demonstrates the congressional intent was that HUD should certify only those workable programs producing effective local code enforcement efforts. The same requirement should apply to the Demonstration Cities bill. It is evident that urban renewal projects that demolish housing, and proceed at the expense of code enforcement, have no real benefit since slum areas develop in the marginal areas, thus requiring additional demolition. Code enforcement is an excellent preventative.
We urge the Committee to direct HUD to expand its code enforcement operations to include systematic inspections of buildings, including the interior, to enable HUD to verify the validity of claims of code enforcement under workable programs. We believe that this would implement the 1964 Housing Act. In short, HUD inspectors would not enforce codes, but they would gather evidence to check on whether the city is doing so.

7. Cities should be required to take over the property of slum landlords who fail to obey the housing code. In addition, HUD should make inspections to see that the cities are operating such housing at code standards. This should also be a workable program requirement.

Amendments to S. 2977 -- Urban Development Act

1. In Sec. 206 dealing with Sec. 701 (A) of the Housing Act of 1954 we believe that one of the conditions for getting grants under Sec. 701 is that the local planning agency develop a comprehensive plan that shows how it will set forth policies dealing with the environmental and educational needs of low income families. In short, local planning grants should be geared to complement national anti-poverty policy. Suburban communities unwilling to aid the war against poverty should be excluded from the benefits of that section.

2. The Administration has for the third time proposed a program of mortgage insurance for land development. On the surface, providing mortgage insurance for land development programs that will be utilized for new subdivisions under entirely new communities, appears to be a major innovation. However, the bill only provides a nominal new town proposal. The proposal in the Urban Development Act will meet the national goal of a decent, safe and sanitary house for every American only if the provision assures that low and middle income persons and the elderly will be able to purchase and obtain housing in large subdivisions in the new communities. The Administration's program fails to support fully its ideology of fighting a total war against poverty. There is no explicit provision made for providing a large number of new homes for low income families.

The land development program, if it is to assist in creating equal housing opportunity, must take into account the need of low income families, regardless of race or ethnic group, to gain access along with others to areas of new development. Such private land developments should be granted government mortgage insurance only if they propose to establish communities that all sectors of the population can afford. At least 1/3 of all insured land development should be required to be priced at an available level for low income families. A specific low income provision should be written into the law. Our support for the program is contingent upon such a provision being included.
It would be a great tragedy to have the Federal government supporting an expensive new program furthering economic class distinction between central city residents and suburban residents. It is anomalous to create new towns, while rebuilding cities, without assuring that a significant number of relocatees would have the choice of living in the new towns. Federal programs should not force the poor to remain in the city ghettos or force them to relocate to new towns. The poor as well as the other classes should be able to choose where to live. But as presently worded the two bills may force the poor to remain in the poor areas.

3. A balanced transportation system is essential to a suitable living environment. Seventy percent of our population now live in urban areas. Conservative estimates indicate that the urban population will increase by an additional 14 percent within 20 years. To this end we support in addition to the proposed mass transit amendments the following:

a. The Reuss-Ashley-Hoorhead amendment requiring the Secretary of HUD to develop an "expedited program for research, development and demonstration of new systems of urban transport no later than January 1, 1967." This amendment appropriately deals with the mass transit problem comprehensively. It encompasses the entire urban mass transit problem -- technical, financial, economic, governmental and social.

b. The Tydings-Bingham proposal (S. 2339) to permit a state to use highway trust funds for urban mass transportation. This will foster creative federalism.

c. The Williams-Bingham extension of the mass transit program (S. 2804) to include operating deficits of mass transit companies providing commuter services and requiring the local public agency and company to develop a comprehensive commuter service improvement plan.

Amendments to S. 2978 -- Housing and Urban Development Amendments of 1966

1. To expand rehabilitated housing we support an amendment to the National Housing Act to authorize mortgages, executed by non-profit organizations, to finance the purchase and rehabilitation of deteriorating or substandard housing for subsequent sale to low income purchasers.

2. The rent supplement program should be modified to benefit those low income families who pay more than 20 percent of their income for shelter rather than the present 25 percent. The supplement would pay the difference between the rent and 20 percent of a family's income. All loans for rent supplement housing should be at below market interest rates.

3. The workable program should include a requirement that cities establish a modern building code based on performance standards. Such a code should utilize research and development advances made in the building industry.
In addition, we support certain amendments to the Internal Revenue Code which we believe would improve housing conditions in our cities.

1. We support tax credits to landlords who rent rehabilitated housing to low income families at below market rates. Fair market rates can be established in the same manner as they are for rent subsidies. Those renting the rehabilitated housing would be the same persons eligible for the rent subsidy program.

2. The Architects' Renewal Committee of Harlem (ARCH), through its director, Mr. Richard Hatch, and its counsel, Mr. Leon Friedman, have proposed a change in the Internal Revenue Code which would have great effect in preventing landlords from abusing their buildings and the lives of those who occupy them. I should like to ask the Committee's approval for making this statement by ARCH a part of the hearing record.

The ARCH proposal recommends the adoption of a new subsection, subsection (j) of Sec. 167 of the Internal Revenue Code. Subsection (j) would read as follows:

"No depreciation deduction shall be allowed to any taxpayer owning a housing accommodation (other than a single family residence occupied by the owner thereof) for a period of 30 days or more during the tax year such accommodation is certified by any governmental agency having jurisdiction to be a fire hazard, or in a continued dangerous condition, or detrimental to life or health."

The ARCH proposal would make it incumbent upon the owner, not the IRS, to demonstrate that his depreciation deductions were allowable. The owner could do this by submitting a declaration from the local building department that his building was free of violations of the type that would preclude the granting of the deduction.

Further, ARCH proposes that the local agencies having jurisdiction over building conditions be required to submit to local IRS offices lists of buildings in violation of local codes.

ADA strongly supports this proposal as a major means of regulating the quality of dwelling units and as a proper means of limiting the privileges granted under Sec. 167 of the Internal Revenue Code.

Conclusion

In his Demonstration Cities message President Johnson concluded by asserting, "If we begin now the planning from which action will flow, the hopes of the 20th Century will become the realities of the 21st." ADA believes that the goal of a decent home and a suitable living environment can and must be achieved well before the 21st Century.

This goal can be achieved within the next decade:

1. If funds are provided in sufficient amounts and with an increasing Federal commitment.

2. If renewal programs will in fact benefit relocations by providing decent housing in suitable living environments.

3. If the rebuilding of all cities, and the establishment of new cities are viewed as related parts of a national development policy.

4. If HUD makes rapid and vigorous participation in meeting the national housing goal a condition precedent to the granting of Federal aid.
WASHINGTON, FEBRUARY 12--One hundred citizens—all experts in urban problems—yesterday asked President Johnson to support "as a major Administration priority" unrestricted funding of the rent supplement program of the Housing and Urban Development Act of 1965.

Calling the rent supplement program "the most important new housing policy to aid low-income families since 1949," the 100 sociologists, city planners, municipal commissioners, builders, labor leaders, political scientists and others—including one former big-city mayor—who speak from 22 US cities and major metropolitan areas, endorsed a letter to the President signed by Americans for Democratic Action.

(The rent supplement legislation authorizes HUD to pay rent supplements for low-income families whose incomes are below the amount permissible for occupants of public housing and who fit into one of several categories: physically handicapped, 62 or older, displaced by urban renewal or highway projects; or presently housed in substandard dwellings.)

Leon Shull, National Director of ADA, indicated two main problems with the rent supplement program as it stands now:

"First," said Shull, "the program is not funded because the House failed to appropriate any money for it. The legislation stated the maximum amount of money which can be appropriated, but actual appropriation must be a separate Congressional action.

"Second, the House Appropriations Committee put into the legislation the provision that projects must be part of a workable program or...officially approved by the local community."

"This means," Shull explained, "that precisely those areas—such as suburbs—which offer the only real hope for permanent relocation of displaced or badly housed poverty-stricken persons, could continue to exclude low-income and minority families merely by failing to have a workable program or a set of city fathers who approve of the law.

"In other words, making funds conditional on a workable program circumvents the intent of the legislation, which was to help the ill-housed poor by making it possible for private builders and landlords to offer good housing at rent subsidized by the government."

ADA in its letter stated:

"Low-income families invariably spend more proportionately per unit for housing than other families; a family earning a low income is often forced to spend as much as 35 per cent of income on housing. We believe the rent supplement program is a valuable tool precisely because it lowers rent costs for low-income families while at the same time provides such families with decent, safe and sanitary housing."

As income of occupants rises, the supplement decreases until occupants can pay
the entire rent and continue to live in the quarters with no supplement.

ADA's letter also pointed out that since the rent subsidy program does not involve matching grants, local officials should not have veto power over programs which involve them, neither administratively nor financially.

"Since eligibility for the rent supplement program is limited to the maximum income permissible for public housing occupancy, to suggest that rent supplements is not a program to benefit low-income families, as the bill's opponents have, grossly distorts the real facts," the letter stated.

-30-

Text of letter and list of endorsers follows:
February 11, 1966

The President
The White House
Washington, D.C.

Dear Mr. President:

We believe that the rent supplement program adopted by the Congress in the Housing and Urban Development Act of 1965 is the most important new initiative in housing policy to aid low-income families since 1949. If the rent supplement program is adequately funded, and is used in our metropolitan areas--cities and suburbs--it will be a basic tool to eliminate slum housing in which so many of our poor now live.

Regrettably the House of Representatives failed to appropriate funds for this program. While the Senate appropriated funds, the program was not funded. Until the rent subsidy program is funded it cannot aid low-income families in their housing needs.

The purpose of the rent subsidy program is to aid low-income families who are either physically handicapped, elderly, occupy substandard housing, or have been displaced by governmental action. The legislation assures that only low-income families will receive the program's benefits.

Since eligibility for the rent supplement program is limited to the maximum income permissible for public housing occupancy, it suggests that rent supplements is not a program to benefit low-income families, as the bill's opponents have, grossly distorts the real facts.

Low-income families invariably spend more proportionately per unit for housing than other families; a family earning a low income is often forced to spend as much as 35 per cent of their income on housing. We believe that the rent supplement program is a valuable tool precisely because it lowers rent costs for low-income families while at the same time provides such families with decent, safe and sanitary housing.

As important as funding the rent subsidy program is, it is necessary that the program be allowed to function as Congress intended it--without undue restrictions. In 1965, however, the House Appropriations Committee limited the use of the funds of the rent subsidy program by requiring that rent subsidy program projects must be "either part of a workable program or...have been officially approved by the local community concerned."

These restrictions are unwise public policy, and will severely cripple the rent supplement program. Many communities do not have workable programs. Also, since the rent subsidy program does not involve a matching grant, local officials should not be in the position of having a veto power over a program that neither involves local officials administratively nor financially.

Mr. President, the legislative solution is obvious. To end blight and increase decent, safe and sanitary housing requires funding the rent supplement program, and without restrictions. We respectfully request your public support on this matter as a major Administration priority. Its success will be a great victory in the war against poverty and an end to slum housing.

Attached is a list of endorsers of this letter. Their organizational and institutional affiliations are listed for identification purposes only.

Respectfully yours,

/s/ Leon Shull
National Director

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<thead>
<tr>
<th>Name</th>
<th>Title/Role</th>
<th>Location</th>
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<tbody>
<tr>
<td>John Anderson</td>
<td>Attorney</td>
<td>San Francisco, Calif.</td>
</tr>
<tr>
<td>Ellis Ash</td>
<td>Administrator, Boston Housing Authority</td>
<td>Stoneham, Mass.</td>
</tr>
<tr>
<td>David Baum</td>
<td>Assistant Professor of Law, College of Law University of Illinois</td>
<td>Urbana, Ill.</td>
</tr>
<tr>
<td>James Besheres</td>
<td>Associate Professor of Sociology, M.I.T.</td>
<td>Newton, Mass.</td>
</tr>
<tr>
<td>Carla Cohen</td>
<td>City Planner</td>
<td>Washington, D.C.</td>
</tr>
<tr>
<td>Theodore Coggs</td>
<td>Former President National Bar Association</td>
<td>Milwaukee, Wis.</td>
</tr>
<tr>
<td>Harvey Cox</td>
<td>Associate Professor Harvard Divinity School</td>
<td>Boston, Mass.</td>
</tr>
<tr>
<td>Robert Craft</td>
<td>Inner City Development Project</td>
<td>Milwaukee, Wis.</td>
</tr>
<tr>
<td>Louis Danzig</td>
<td>Executive Director Newark Housing Authority</td>
<td>Newark, N.J.</td>
</tr>
<tr>
<td>Paul Davidoff</td>
<td>Chairman, Department of City Planning, Hunter College</td>
<td>New York, N. Y.</td>
</tr>
<tr>
<td>James R. Dumpson</td>
<td>Chairman, Hunter School of Social Work, Hunter College</td>
<td>New York, N. Y.</td>
</tr>
<tr>
<td>Edward Eichler</td>
<td>California home builder</td>
<td>San Francisco, Calif.</td>
</tr>
<tr>
<td>Bernard Farber</td>
<td>Professor, Department of Sociology, University of Illinois</td>
<td>Urbana, Ill.</td>
</tr>
<tr>
<td>Edwin H. Folk</td>
<td>Executive Director, Philadelphia Citizens Committee on City Planning</td>
<td>Philadelphia, Pa.</td>
</tr>
<tr>
<td>Mrs. Frankie M. Freeman</td>
<td>Attorney</td>
<td>St. Louis, Mo.</td>
</tr>
</tbody>
</table>
Bernard Frieden  
Associate Professor of City Planning, M.I.T.  
Cambridge, Mass.

James J. Gallagher  
Professor, Institute for Research of Exceptional Children, University of Illinois  
Urbana, Ill.

Herbert Gans  
Associate Professor, Teachers College, Columbia University; Center for Urban Education  
New York, N. Y.

Daniel Glaser  
Chairman, Department of Sociology, University of Illinois  
Urbana, Ill.

Arnold Greenberg  
Attorney  
San Francisco, Calif.

Charles F. Grosser  
Associate Professor of Social Work, New York University, Graduate School of Social Work  
New York, N. Y.

Arnold Gurin  
Associate Professor of Social Administration, Florence Heller Graduate School of Social Work, Brandeis University  
Newton, Mass.

Chester W. Hartman  
Samuel Stouffer Fellow, Harvard-M.I.T. Joint Center for Urban Studies  
Cambridge, Mass.

Philip Herr  
Lecturer on City Planning, M.I.T.  
Newton, Mass.

Gerald Hill  
Attorney, Former Director of the Governor's Advisory Commission on Housing Problems  
San Francisco, Calif.

Robert Hoyt  
Pastor, Education Ascension Lutheran Church, Urban Affairs Consultant, Northern Missouri Synod  
Milwaukee, Wis.

Lawrence Howard  
Human Relations Institute, University of Wisconsin  
Milwaukee, Wis.

Theodore Husted, Jr.  
Vice-Dean, University of Pennsylvania Law School; President, Philadelphia Housing Association  

William W. Jeanes  
Attorney  

Marshall Kaplan  
Executive Director, Institute for Planning and Development  
San Francisco, Calif.

John Kearney  
Mayor's Advisory Committee on Housing and Community Organization; Executive Director, Independent Voters of Illinois  
Chicago, Ill.

John Langhorne  
Associate Director, Special Services Department, United Community Services of Metropolitan Boston  
Brighton, Mass.

Jay A. Larkey, M.D.  
Chairman, Medical Advisory Committee, Planned Parenthood Association  
Milwaukee, Wis.
Milton Lebowitz  Professor and Chairman  New York, N. Y.
Community Organization  Division, Fordham University


Phillip E. Lerman  President, Wisconsin State  Milwaukee, Wis.
Board of Vocational, Technical and Adult Education

Mrs. Frances Levenson  Director, Demonstration  New York, N. Y.
Rehabilitation Project

Joan Ann Levin  Assistant Research Professor  Cambridge, Mass.
Florence Heller Graduate School of Social Work, Brandeis University

Michael Lewis  Assistant Professor, Department of Sociology, University of Illinois  Urbana, Ill.

Charles Liddell  Executive Director, United South End Settlement of Boston  Needham, Mass.

Milford Lieberthal  Department of Labor and Industrial Relations  Urbana, Ill.
University of Illinois

David Liederman  Assistant Director, Roxbury Federation of Neighborhood Centers  Winthrop, Mass.

Joseph Litterer  Professor of Business Administration  Urbana, Ill.
University of Illinois

David Ludlow  Director, American Friends Service Committee, Housing Opportunities Program  New York, N. Y.

Kevin Lynd  Professor and Chairman of the Faculty, Harvard-M.I.T. Joint Center for Urban Studies  Watertown, Mass.

John McDowell  Dean, Boston University School of Social Work  Boston, Mass.

Herbert McLaughlin  Architect  San Francisco, Calif.

Bertram McNamara  District Director, U. S. Steel Workers District #32  Milwaukee, Wis.

Daniel Mandelker  Professor of Law, School of Law, Washington University  St. Louis, Mo.

Seymour Mann  Director of Public Administration and Urban Affairs Program, Southern Illinois University, Edwardsville Campus  Edwardsville, Ill.

Robert March  Executive Director, Roxbury Federation of Neighborhood Centers  Boston, Mass.

Roger Montgomery  Director, Urban Renewal Design Center, Washington University  St. Louis, Mo.
<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Role</th>
<th>Location</th>
</tr>
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<tbody>
<tr>
<td>William W. Nash</td>
<td>Associate Professor and Chairman of the Department City Planning and Regional Planning, Harvard Graduate School of Design</td>
<td>Winchester, Mass.</td>
</tr>
<tr>
<td>Troy R. Nestmeyz</td>
<td>Assistant Dean, Graduate School of Public Administration, New York University</td>
<td>New York, N.Y.</td>
</tr>
<tr>
<td>Eleanor B. O'Connor</td>
<td>Board Member, Philadelphia Housing Association</td>
<td>Philadelphia, Pa.</td>
</tr>
<tr>
<td>Rai Okamoto</td>
<td>Architect and Urban Designer</td>
<td>San Francisco, Calif.</td>
</tr>
<tr>
<td>Robert Osborn</td>
<td>Assistant Professor of Political Science, University of Pennsylvania, Philadelphia</td>
<td>Philadelphia, Pa.</td>
</tr>
<tr>
<td>James Pawley</td>
<td>Executive Director Urban League</td>
<td>Essen County, N.J.</td>
</tr>
<tr>
<td>George Pazik</td>
<td>Executive Vice President North Town Planning and Development Council</td>
<td>Milwaukee, Wis.</td>
</tr>
<tr>
<td>Walter Phillips</td>
<td>Assistant Professor, Department of Sociology, University of Illinois</td>
<td>Urbana, Ill.</td>
</tr>
<tr>
<td>F. W. Purdom</td>
<td>Professor of Environmental Engineering and Services Drexel Institute of Technology</td>
<td>Philadelphia, Pa.</td>
</tr>
<tr>
<td>Lee Rainwater</td>
<td>Professor of Sociology Washington University</td>
<td>St. Louis, Mo.</td>
</tr>
<tr>
<td>Carleton C. Richards, M.D.</td>
<td>Board Member, Philadelphia Housing Association</td>
<td>Philadelphia, Pa.</td>
</tr>
<tr>
<td>Alan Sagner</td>
<td>Levin-Sagner Urban Redevelopment Corporation</td>
<td>Newark, N.J.</td>
</tr>
<tr>
<td>George Schermer</td>
<td>Human Relations Consultant</td>
<td>Washington, D.C.</td>
</tr>
<tr>
<td>Richard Scobie</td>
<td>Director, Tenant Relations Boston Housing Authority</td>
<td>Newtonville, Mass.</td>
</tr>
<tr>
<td>Ann Louise Strong</td>
<td>Acting Director, Institute of Legal Research, University of Pennsylvania</td>
<td>Philadelphia, Pa.</td>
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<tr>
<td>Adolf Sturmthal</td>
<td>Professor, Department of Labor and Industrial Relations, University of Illinois</td>
<td>Urbana, Ill.</td>
</tr>
<tr>
<td>Norton I. Teicher</td>
<td>Dean, School of Social Work Yeshiva University</td>
<td>New York, N.Y.</td>
</tr>
<tr>
<td>Harry H. Tiebout, Jr.</td>
<td>Associate Professor of Philosophy, University of Illinois</td>
<td>Urbana, Ill.</td>
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<tr>
<td>Rev. Homer Tucker</td>
<td>Chairman, Social Welfare Division of Greater Newark Council of Churches</td>
<td>Newark, N.J.</td>
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<tr>
<td>Wayne Vasey</td>
<td>Dean, George Warren Brown School of Social Work Washington University</td>
<td>St. Louis, Mo.</td>
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<tr>
<td>Francois C. Vigier</td>
<td>Assistant Professor, City Planning and Urban Design Harvard Graduate School of Design</td>
<td>Cambridge, Mass.</td>
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<tr>
<td>Donald C. Wagner</td>
<td>Research Professor University of Pennsylvania</td>
<td>Philadelphia, Pa.</td>
</tr>
<tr>
<td>William Weinwright</td>
<td>Associate Professor of Philosophy, University of Illinois</td>
<td>Urbana, Ill.</td>
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<tr>
<td>David A. Wallace</td>
<td>Professor, City Planning University of Pennsylvania</td>
<td>Philadelphia, Pa.</td>
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<tr>
<td>Mildred Fairchild Woodbury</td>
<td>Board Member, Philadelphia Housing Association</td>
<td>Philadelphia, Pa.</td>
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<tr>
<td>Arnold Zander</td>
<td>Retired President, American Federation of State County and Municipal Employees</td>
<td>Washington, D. C.</td>
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<tr>
<td>Frank Zeidler</td>
<td>Past Mayor of Milwaukee</td>
<td>Milwaukee, Wis.</td>
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